

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: September 22, 2011**

SUBJECT: Revised Town Water and Wastewater Rates, Fees and Service Charges

SUBMITTING DEPARTMENT: Management Services

PREPARED BY: William E. Kauppi, Management Services Director
Cordell Compton, Customer Accounts Division Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: (a) July 14, 2011 Report of Intent, and (b) July 2011 Water & Sewer Rate Study

SUMMARY/BACKGROUND: Since 2001, staff has been monitoring utility revenues and has developed multi-year financial projections. It has evaluated whether existing utility rates, fees and service charges are covering the cost of services. Factors to be considered are the need to encourage water conservation, to ensure uninterrupted water services to the increasing number of Town customers and to keep costs competitive with other communities in the region. Based on this analysis, staff has concluded that Town utility rates, fees and service charges need further adjustment at this time.

On March 13, 2008, by Resolution No. 1570, the Water Utility System of the District was dissolved and the District was merged into the Town and declared to be a single system. On this same date, the Prescott Valley Water District adopted Resolution No. 70, approving the refunding of its bonds, sale of the system and liquidation of the District in accordance with Arizona Revised Statutes. The Prescott Valley Municipal Property Corporation Board (MPC) also at this time adopted Resolution No. 08-01, which authorized the sale of its Refunding Bonds, purchased the system and entered into a Purchase Agreement with the Town.

Staff previously discussed proposed revisions to Town utility rates, fees and service charges with the Town Council at a June 16, 2011 Work/Study Session. The Council also considered proposed revisions at its Regular Session on July 14, 2011, when it set a public hearing for September 22, 2011. At that time, the Council expressed its intent to possibly raise wastewater rates and deposits for water and wastewater service based on the proposed revisions, and filed for public review a "Report of Proposal to Revise Certain Water and Wastewater Rates and Fees per ARS §9-511.01" dated July 14, 2011, along with the Town of Prescott Valley's Water and Sewer Rate Study dated July 14, 2011.

In accordance with ARS §9-511.01, the Council is now holding a public hearing on the proposed revisions to consider public comments. If the revisions set forth in the Report are adopted after the public hearing, they will be effective with the first billing cycle after November 1, 2011.

OPTIONS ANALYSIS: Public Hearing; no options proposed.

ACTION OPTION: Public Hearing; no action required.

RECOMMENDATION: Public Hearing; no action recommended.

FISCAL ANALYSIS: Revised fees, if approved, will be effective with the first billing cycle after November 1, 2011.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____